

Annual report on monitoring of safeguards measures

For FI operations

Project number: 3535-UZB

Reporting period: January - December 2021

Full country name: Republic of Uzbekistan

Project name: "Affordable Rural Housing Construction Program - Result based lending with the participation of the Asian Development Bank"

Funded by: ADB ordinary capital resources

Prepared by: ESMS Coordinator: Z. Khashimova

Organization name: JSC "National Bank for Foreign Economic Affairs of the Republic of Uzbekistan"

City, country: Republic of Uzbekistan, Tashkent

Implementing agency: Ministry of Economic Development and Poverty Reduction of the Republic of Uzbekistan

Approved by: Vice Chairman

Board of National Bank JSC: A. Kurambaev

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Part I. Introduction

The Program for the construction on affordable houses on updated typical projects in rural areas for 2017-2021 initiated by the Government of the Republic of Uzbekistan in accordance with the Resolution of the President of the Republic of Uzbekistan No.2812 dated from March 2, 2017 "The Program on Construction of Affordable Houses on the Updated Typical Projects in Rural Areas by 2017-2021 at the initiative of the Government of the Republic of Uzbekistan".

In order to ensure the implementation of the Resolution of the President of the Republic of Uzbekistan No.2812 on March 2, 2017, a loan agreement No.3535 dated from on July 6, 2017, signed between the Republic of Uzbekistan and the Asian Development Bank, for 500.0 mln USD. In addition, loan agreement came into force dated from on July 18, 2017.

The aim of the Project is to support the implementation of the Program to increase the number of rural families that responsible for the criteria of social justice and getting benefiats from affordable housing built in accordance with national quality standards in 9 regions of Uzbekistan: in the Republic of Karakalpakstan, Bukhara, Kashkadarya, Namangan, Samarkand, Surkhandarya, Tashkent, Ferghana and Khorezm regions in 2017-2021. According to the Loan agreement, 29,000 houses are planned to be built in these regions, at the same time, it is planned to build 9,996 houses in the reporting year.

A special feature of the Program's financing is the selected financing mechanism-results-based lending, which provides funding from the ADB based on the results of achieving the corresponding targets for each specific indicator associated with the withdrawal of ADB's borrowed funds (DLI).

Table 1

In accordance with the Loan Agreement, the project consists of two following components:

№	Project components and brief description	mln USD
1.	Credit line for the provision of mortgage loans	499,0*
2.	Capacity-building and project management support	1,0
	Total:	500,0

**) The distribution of ADB loan is carried out among the participating commercial banks in accordance with concluded agreements (National Bank of Uzbekistan (NBU) - \$179.0 million, JSCMB "Ipoteka Bank" - \$170.0 million and JSCMB "Qishloq Qurilish Bank" (QQB) - \$150.0 million).*

In accordance with the requirements of the Resolution of the President of the Republic of Uzbekistan No.2812 dated from March 2, 2017 "The Program on Construction of Affordable Houses on the Updated Typical Projects in Rural Areas by 2017-2021 at the initiative of the Government of the Republic of Uzbekistan" and the decision of the management Board of JSC "National Bank" No.432 dated from March 18, 2017 was developed and approved the procedure of work of divisions of JSC "National Bank" on environmental and social management system under the program of housing construction in rural areas with the participation of the Asian Development Bank.

In 2021, one of the indicators related to ADB's loan withdrawals (DLI-2) is the conclusion 9 996 mortgage agreements with selected beneficiaries of the Program, of which at least 25% are women.

These 9 996 mortgage agreements were distributed among the three participating commercial banks as follows:

- JSCB “Qishloq Qurilish Bank” – 2 660 preferential mortgage loans;
- JSCMB “Ipoteka Bank” – 3 616 preferential mortgage loans;
- JSC “National Bank” – 3 720 preferential mortgage loans.

At the same time, the distribution of mortgage loans issued under the program with the participation of ADB in 2021, broken down by regions, massifs and the number of houses, was as follows:

Table 2

Distribution of mortgage loans issued JSC “National Bank” in 2021 within the framework of the Program with the participation of ADB broken down by regions, massifs and number of houses

№	Region	Massifs	Number of apartments	5-storey 30 apartment houses		5-storey 20 apartment houses		9-storey 48 apartment houses	
				Number of houses	Number of apartments	Number of houses	Number of apartments	Number of houses	Number of apartments
TOTAL:			3 720	98	1 980	50	1 500	5	240
Republic of Karakalpakistan			200	1	20	6	180		
1	Amudaryo	Gulzor	60			2	60		
2	Kegeyli	Juzimbag	30			1	30		
3	Korauzak	Yesim	30			1	30		
4	Takhtakupir	Garezsizlik	20	1	20				
5	Turtkul	Ullugbog	60			2	60		
Bukhara region			250	5	100	5	150		
1	Romitan	Bobur	60			2	60		
2	Gijduvon	Todon	150	3	60	3	90		
3	Shofrikon	Mirzokul	40	2	40				
Kashkadarya region			440	10	200	8	240		
1	Guzor	Mustakillik	160	8	160				
2	Kasbi	Tinchlik	60			2	60		
3	Kitob	Istikbol	40	2	40				
4	Muborak	Bobur	60			2	60		
5	Nishon	Nuriston	60			2	60		
6	Karshi	Chaman	60			2	60		
Namangan region			760	38	760				
1	Mingbulok	Pakhtakor	40	2	40				
2	Kosonsoy	Obod	60	3	60				
3	Turakurgon	Uzbekistan	40	2	40				
4	Uchkurgon	Dehkanobod	200	10	200				
5	Chortok	Dustlik	240	12	240				
6	Yangikurgon	Kurik	80	4	80				
7	Yangi Namangan	Bunyodkor	100	5	100				
Samarkand region			420	21	420				
1	Pastdargom	Furkat	80	4	80				
2	Jomboy	Uzunovul	120	6	120				
3	Nurobod	Navruz	60	3	60				
4	Samarkand	Parrandachilik	80	4	80				
5	Urgut	Mergancha	80	4	80				

Surkhandarya region			300			10	300		
1	Denov	Nurli manzil	180			6	180		
2	Sherobod	Tarokli	60			2	60		
3	Kumkurgon	Dustlik	60			2	60		
Tashkent region			720	23	480			5	240
1	Bekobod	Yangibozor	160	8	160				
2	Buka	Yangihaet	80	4	80				
3	Kibray	Mekhnat	60	2	60				
4	Kuyichirchik	Ibrat	80	4	80				
5	Okkurgan	Birlik	20	1	20				
6	Zangiota	Kattachinor	80	4	80				
7	Yukorichirchik	Mirobod	240					5	240
Fergana region			270			9	270		
1	Besharik	Adirobod	60			2	60		
2	Oltiariq	Katput	90			3	90		
3	Kuva	Turk	60			2	60		
4	Rishton	Nurafshon	60			2	60		
Khorezm region			360			12	360		
1	Gurlan	Chinobod	60			2	60		
2	Khazorasp	Zehnli	90			3	90		
3	Shovot	Kirgok buyi	60			2	60		
4	Yangiarik	Dustlik	90			3	90		
5	Tuprokkal'a	Obod	60			2	60		

The selection of beneficiaries is carried out in accordance with the Regulations on the order of participation of the applicant – developer in the Program for the construction of affordable residential buildings for updated typical projects in rural areas for 2017-2021, approved by the Decree of the President of the Republic of Uzbekistan dated November 28, 2019 No. 5886.

This Regulation determines the procedure for the selection and participation of developers for the construction of affordable residential buildings in rural areas based on the social needs of potential developers in affordable residential buildings in rural areas and the social priority of potential developers within the framework of the Program, determined by the commission for the selection of applicants created under the khokimiyat of the corresponding district.

The participating commercial banks (PCBs) entered into 9,996 mortgage loan agreements with selected developers for the construction of an affordable residential building in rural areas under the Program with the participation of ADB, including: JSC "National Bank" – 3,720 contracts.

Thus, based on the given data, it can be argued that JSC National Bank has fully complied with all the requirements of the indicator related to the withdrawal of borrowed funds (DLI-2).

It should be noted that all residential buildings built according to updated standard projects within the framework of the 2021 Program, fell into category B. Information about the results of the categorization of massifs is given in tabular form:

Table 3

Information about the results of the categorization of massifs is given in tabular form

№	Region	Bank branch	Massifs	Project category on screening sheet on ecology	Project category on screening sheet on sociology	Presence of the conclusion of ecological expertise
Republic of Karakalpakstan						
1	Amudaryo	<i>Karakalpak branch</i>	Gulzor	B	C	Yes
2	Kegeyli	<i>Karakalpak branch</i>	Juzimbag	B	C	Yes
3	Korauzak	<i>Karakalpak branch</i>	Yesim	B	C	Yes
4	Takhtakupir	<i>Karakalpak branch</i>	Garezsizlik	B	C	Yes
5	Turtkul	<i>Karakalpak branch</i>	Ullugbog	B	C	Yes
Bukhara region						
1	Romitan	<i>Romitan branch</i>	Bobur	B	C	Yes
2	Гиждуван	<i>Gijduvan branch</i>	Todon	B	C	Yes
3	Shofrikon	<i>Bukhara branch</i>	Mirzokul	B	C	Yes
Kashkadarya region						
1	Guzor	<i>Guzar branch</i>	Mustakillik	B	C	Yes
2	Kasbi	<i>Muborak branch</i>	Tinchlik	B	C	Yes
3	Kitob	<i>Muborak branch</i>	Istikbol	B	C	Yes
4	Muborak	<i>Muborak branch</i>	Bobur	B	C	Yes
5	Nishon	<i>Karshi branch</i>	Nuriston	B	C	Yes
6	Karshi	<i>Karshi branch</i>	Chaman	B	C	Yes
Namangan region						
1	Mingbulok	<i>Namangan branch</i>	Pakhtakor	B	C	Yes
2	Kosonsoy	<i>Namangan branch</i>	Obod	B	C	Yes
3	Turakurgon	<i>Namangan branch</i>	Uzbekistan	B	C	Yes
4	Uchkurgon	<i>Namangan branch</i>	Dehkanobod	B	C	Yes
5	Chortok	<i>Chortok branch</i>	Dustlik	B	C	Yes
6	Yangikurgon	<i>Chortok branch</i>	Kurik	B	C	Yes
7	Yangi Namangan	<i>Namangan branch</i>	Bunyodkor	B	C	Yes
Samarkand region						
1	Pastdargom	<i>Pastdargom branch</i>	Furkat	B	C	Yes
2	Zhomboy	<i>Zhomboy branch</i>	Uzunovul	B	C	Yes
3	Nurobod	<i>Nurabod branch</i>	Navruz	B	C	Yes
4	Samarkand	<i>Registan branch</i>	Parrandachilik	B	C	Yes
5	Urgut	<i>Urgut branch</i>	Mergancha	B	C	Yes
Surkhandarya region						
1	Denov	<i>Denov branch</i>	Nurli manzil	B	C	Yes
2	Sherobod	<i>Termez branch</i>	Tarokli	B	C	Yes
3	Kumkurgon	<i>Kumkurgan branch</i>	Dustlik	B	C	Yes
Tashkent region						
1	Bekobod	<i>Bekabad branch</i>	Yangibozor	B	C	Yes
2	Buka	<i>Tashkent region branch</i>	Yangihaet	B	C	Yes
3	Kibray	<i>Gazalkent branch</i>	Mekhnat	B	C	Yes
4	Kuyichirchik	<i>Yangiyul branch</i>	Ibrat	B	C	Yes
5	Okkurgan	<i>Tashkent region branch</i>	Birlik	B	C	Yes
6	Zangiota	<i>Yangiyul branch</i>	Kattachinor	B	C	Yes
7	Yukorichirchik	<i>Gazalkent branch</i>	Mirobod	B	C	Yes
Fergana region						
1	Besharik	<i>Besharik branch</i>	Adirobod	B	C	Yes
2	Oltiariq	<i>Rishtan branch</i>	Katput	B	C	Yes
3	Kuva	<i>kuva branch</i>	Turk	B	C	Yes
4	Rishton	<i>Rishtan branch</i>	Nurafshon	B	C	Yes
Khorezm region						

№	Region	Bank branch	Massifs	Project category on screening sheet on ecology	Project category on screening sheet on sociology	Presence of the conclusion of ecological expertise
1	Gurlan	<i>Urganch branch</i>	Chinobod	B	C	Yes
2	Khazorasp	<i>Khazorasp branch</i>	Zehnli	B	C	Yes
3	Shovot	<i>Shovot branch</i>	Kirgok buyi	B	C	Yes
4	Yangiariq	<i>Yangiaryk branch</i>	Dustlik	B	C	Yes
5	Tuprokkal'a	<i>Khazorasp branch</i>	Obod	B	C	Yes

In addition, during the categorization, were filled the forms of the screening process in accordance with Appendix 2 of the ADB Environmental and Social Guidelines for NBU, in 3 stages: 1) environmental screening, 2) climate risk screening and 3) screening for involuntary resettlement issues.

After completing the screening and categorization process of sub-projects the massifs and beneficiaries of the Program were selected according to the requirements. After the opening of the financing and start of construction work, the specialists for the implementation of ESMS in the field carried out audit of the implementation of each sub-project to make sure that the latter are being implemented in accordance with the requirements of the management of ESMS National Bank JSC and Loan agreement.

It should be noted that the construction of affordable residential buildings according to updated standard designs in rural areas is not included in the list of prohibited activities sponsored by ADB.

Information about the number of audits performed by the Bank is given in the following table:

Table 4

Information on the number of audits conducted by National Bank JSC in the framework of the program with the participation of ADB in 2021

№	Name of regions	Name of bank branches	Name of massifs	Start date of constructions	Number of audits performed	By whom the audit was held
Republic of Karakalpakstan						
1	Amudaryo	<i>Karakalpak branch</i>	Gulzor	may	7	
2	Kegeyli	<i>Karakalpak branch</i>	Juzimbag	may	6	
3	Korauzak	<i>Karakalpak branch</i>	Yesim	may	6	
4	Takhtakupir	<i>Karakalpak branch</i>	Garezsizlik	may	7	
5	Turtkul	<i>Karakalpak branch</i>	Ullugbog	may	7	
Bukhara region						
1	Romitan	<i>Romitan branch</i>	Bobur	may	6	
2	Gijduvan	<i>Gijduvan branch</i>	Todon	may	6	
3	Shofrikon	<i>Bukhara branch</i>	Mirzokul	may	5	
Kashkadarya region						
1	Guzor	<i>Guzar branch</i>	Mustakillik	may	6	
2	Kasbi	<i>Muborak branch</i>	Tinchlik	may	7	
3	Kitob	<i>Muborak branch</i>	Istikbol	may	5	
4	Muborak	<i>Muborak branch</i>	Bobur	may	5	
5	Nishon	<i>Karshi branch</i>	Nuriston	may	6	
6	Karshi	<i>Karshi branch</i>	Chaman	may	7	
Namangan region						
1	Mingbulok	<i>Namangan branch</i>	Pakhtakor	may	7	

№	Name of regions	Name of bank branches	Name of massifs	Start date of constructions	Number of audits performed	By whom the audit was held
2	Kosonsoy	<i>Namangan branch</i>	Obod	may	6	
3	Turakurgon	<i>Namangan branch</i>	Uzbekistan	may	7	
4	Uchkurgon	<i>Namangan branch</i>	Dehkanobod	may	5	
5	Chortok	<i>Chortok branch</i>	Dustlik	may	6	
6	Yangikurgon	<i>Chortok branch</i>	Kurik	may	6	
7	Yangi Namangan	<i>Namangan branch</i>	Bunyodkor	may	7	
Samarkand region						
1	Pastdargom	<i>Pastdargom branch</i>	Furkat	may	6	
2	Jomboy	<i>Zhomboy branch</i>	Uzunovul	may	7	
3	Nurobod	<i>Nurabod branch</i>	Navruz	may	5	
4	Samarkand	<i>Registan branch</i>	Parrandachilik	may	6	
5	Urgut	<i>Urgut branch</i>	Mergancha	may	6	
Surkhondaryo region						
1	Denov	<i>Denov branch</i>	Nurli manzil	may	6	
2	Sherobod	<i>Termez branch</i>	Tarokli	may	6	
3	Kumkurgon	<i>Kumkurgan branch</i>	Dustlik	may	5	
Tashkent region						
1	Bekobod	<i>Bekabad branch</i>	Yangibozor	may	6	
2	Buka	<i>Tashkent region branch</i>	Yangihaet	may	5	
3	Kibray	<i>Gazalkent branch</i>	Mekhnat	may	6	
4	Kuyichirchik	<i>Yangiyul branch</i>	Ibrat	may	5	
5	Okkurgan	<i>Tashkent region branch</i>	Birlik	may	5	
6	Zangiota	<i>Yangiyul branch</i>	Kattachinor	may	6	
7	Yukori-chirchik	<i>Gazalkent branch</i>	Mirobod	may	5	
Fergana region						
1	Besharik	<i>Besharik branch</i>	Adirobod	may	7	
2	Oltiariq	<i>Rishtan branch</i>	Katput	may	6	
3	Kuva	<i>kuva branch</i>	Turk	may	7	
4	Rishton	<i>Rishtan branch</i>	Nurafshon	may	6	
Khorezm region						
1	Gurlan	<i>Urganch branch</i>	Chinobod	may	6	
2	Khazorasp	<i>Khazorasp branch</i>	Zehnli	may	6	
3	Shovot	<i>Shovot branch</i>	Kirgok buyi	may	5	
4	Yangiarik	<i>Yangiaryk branch</i>	Dustlik	may	5	
5	Tuprokkal'a	<i>Khazorasp branch</i>	Obod	may	6	

The implementation of reporting requirements for sub-projects

As noted above, in accordance with the requirements of the Decree of the President of the Republic of Uzbekistan No. PP-2812 dated March 2, 2017. "On additional measures for the implementation of the Program for the construction of affordable residential buildings according to updated standard projects in rural areas for 2017 - 2021 with the participation of the Asian Development Bank ", by the protocol of the Board of the National Bank JSC No. 432 dated March 18, 2017, the procedure for the work of the bank's divisions on the system of environmental and social management was developed and approved within the framework

of the housing construction program in rural areas with participation of the Asian Development Bank. No changes were made to the document during the reporting period.

In accordance with the requirements of the management of the ESMS National Bank JSC head office has appointed a ESMS coordinator, and in the branches - specialists responsible for implementing the ESMS requirements in the field. Information about the appointed in the system of the National Bank JSC, the coordinator and local ESMS specialists are given below:

Table 5

Information about the appointed coordinator and specialists ESMS in the system of National Bank JSC in project regions under the Program 2021

№	Region	Bank branch	Full name	Position	Number and date of order assigning
1	Tashkent	Head office	Turakulov B. Khashimova Z.	ESMS coordinator	verbal specified
2	Republic of Karakalpakstan	Karakalpak Republic branch	Ubbiniyazov P.	Responsible for the ESMS	№КБ-72 02.04.2018
3	Kashkadarya region	Kashkadaryo regional branch	Juraev K.	Responsible for the ESMS	№28K 25.01.2017
4	Samarkand region	Samarkand regional branch	Kuchkorov K.	Responsible for the ESMS	№257 23.02.2018
5	Surkhandarya region	Denov branch	Ishniyazov J.	Responsible for the ESMS	№07 09.01.2019
6	Surkhandarya region	Surkhandarya regional branch	Abdullaev A.	Responsible for the ESMS	№08 09.01.2019
7	Ferghana region	Ferghana regional branch	Abdurahimov Sh.	Responsible for the ESMS	№466 K 23.12.2016
8	Tashkent region	Tashkent regional branch	Nosirov A.	Responsible for the ESMS	№380 30.10.2019
9	Khorezm region	Khorezm regional branch	Satarberganov D.K.	Responsible for the ESMS	№95/1 18.02.2021

Part II. Environmental issues

In the reporting period, environmental monitoring in the project regions was carried out by responsible specialists for the ESMS. As indicated in the National Bank's guide to the ESMS, environmental monitoring of each land mass, where affordable residential buildings were built according to updated standard projects in rural areas, was carried out 1 time during the quarter. However, September 12, 2018 a letter No. MM-2-5/108 was received from the Ministry of Economy of the Republic of Uzbekistan, where it was recommended to conduct environmental monitoring at least once a month.

In this regard, during 2021, the ESMS specialists switched to monthly environmental monitoring, during which checklists were filled in according to the template developed by the ADB national consultant.

During the monitoring carried out during 2021, no cases of violation of environmental standards were identified, and there were no accidents or incidents at construction sites.

Table 6

Information on identified problems during environmental monitoring conducted by specialists of National Bank JSC on ESMS within 2021 Program

№	Region, Bank branch	Number of audits	Identified discrepancies in:					
			Noise and vibration	Air pollution	Water pollution	Flora and fauna (visually)	Safety	Accidents
1	Republic of Karakalpakstan, Karakalpakstan regional branch	33	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
2	Bukhara region Romitan branch	6	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
	Bukhara region, Gijduvan branch	6	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
	Bukhara region, Bukhara branch	5	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
3	Kashkadarya region Kashkadaryo region branches	13	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
	Kashkadarya region Guzor branch	6	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
	Kashkadarya region Muborak branch	17	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
4	Namangan region Namangan regional branch	32	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
	Namangan region Chortok branch	12	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
5	Samarkand region Pastdargom branch	6	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
	Samarkand region Zhomboy branch	7	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
	Samarkand region Nurabod branch	5	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
	Samarkand region Registan branch	6	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
	Samarkand region Urgut branch	6	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
6	Surkhandarya region Termiz branch	6	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
	Surkhandarya region Denauv branch	6	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
	Surkhandarya region Kumkurgan branch	5	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
7	Tashkent region Tashkent region branch	15	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
	Tashkent region Bekabad branch	6	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
	Tashkent region Gazalkent branch	11	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
	Tashkent region Yangiyul branch	5	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
8	Fergana region Besharyk branch	7	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
	Fergana region Rishton branch	12	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
	Fergana region Kuva branch	7	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
9	Khorezm region Khorezm regional branch	6	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
	Khorezm region Khazorasp branch	12	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
	Khorezm region Shovot branch	5	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
	Khorezm region Yangiaryk branch	5	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
	TOTAL:	268						

Part III: Compliance with ADB's social protection requirements and the list of banned investment activities of ADB

Before signing mortgage agreements for the construction of affordable houses on the updated typical projects in rural areas under the Program, with the participation of ADB 2021 with selected beneficiaries responsible professionals at ESMS evaluated sub-projects for compliance with the banned investment activities provided in the List of prohibited

investment activities of the ADB. The evaluation did not identify any sub-projects that would match the designated list.

As for compliance with social protection requirements, there were no cases of forced relocation of local residents in the framework of the program with the participation of ADB in 2021, and no persons were injured during construction.

Part IV: ESMS activities

As noted above, construction sites were visited regularly by ESMS specialists for the purpose of environmental monitoring. Information on the number of such visits is provided below.

Table 7

Information on environmental monitoring conducted by specialists on ESMS of National Bank JSC within 2021 Program

№	Province, Bank branch	Number of audits	Purpose of audit	Note
1	Republic of Karakalpakstan, Karakalpakistan regional branch	33	<i>Conformity assessment for protective measures</i>	
2	Bukhara region Romitan branch	6	<i>Conformity assessment for protective measures</i>	
3	Bukhara region, Gijduvan branch	6	<i>Conformity assessment for protective measures</i>	
4	Bukhara region, Bukhara branch	5	<i>Conformity assessment for protective measures</i>	
5	Kashkadarya region Kashkadaryo region branches	13	<i>Conformity assessment for protective measures</i>	
6	Kashkadarya region Guzor branch	6	<i>Conformity assessment for protective measures</i>	
7	Kashkadarya region Muborak branch	17	<i>Conformity assessment for protective measures</i>	
8	Namangan region Namangan regional branch	32	<i>Conformity assessment for protective measures</i>	
9	Namangan region Chortok branch	12	<i>Conformity assessment for protective measures</i>	
10	Samarkand region Pstdargom branch	6	<i>Conformity assessment for protective measures</i>	
11	Samarkand region Zhomboy branch	7	<i>Conformity assessment for protective measures</i>	
12	Samarkand region Nurabod branch	5	<i>Conformity assessment for protective measures</i>	
13	Samarkand region Registan branch	6	<i>Conformity assessment for protective measures</i>	
14	Samarkand region Urgut branch	6	<i>Conformity assessment for protective measures</i>	
15	Surkhandarya region Termiz branch	6	<i>Conformity assessment for protective measures</i>	
16	Surkhandarya region Denauv branch	6	<i>Conformity assessment for protective measures</i>	
17	Surkhandarya region Kumkurgan branch	5	<i>Conformity assessment for</i>	

№	Province, Bank branch	Number of audits	Purpose of audit	Note
			<i>protective measures</i>	
18	Tashkent region Tashkent region branch	15	<i>Conformity assessment for protective measures</i>	
19	Tashkent region Bekabad branch	6	<i>Conformity assessment for protective measures</i>	
20	Tashkent region Gazalkent branch	11	<i>Conformity assessment for protective measures</i>	
21	Tashkent region Yangiyul branch	5	<i>Conformity assessment for protective measures</i>	
22	Fergana region Besharyk branch	7	<i>Conformity assessment for protective measures</i>	
23	Fergana region Rishton branch	12	<i>Conformity assessment for protective measures</i>	
24	Fergana region Kuva branch	7	<i>Conformity assessment for protective measures</i>	
25	Khorezm region Khorezm regional branch	6	<i>Conformity assessment for protective measures</i>	
26	Khorezm region Khazorasp branch	12	<i>Conformity assessment for protective measures</i>	
27	Khorezm region Shovot branch	5	<i>Conformity assessment for protective measures</i>	
28	Khorezm region Yangiaryk branch	5	<i>Conformity assessment for protective measures</i>	
	TOTAL:	268		

During the audit conducted in the project regions, no cases of non-compliance with the safeguards requirements were identified.

Table 8

Information about cases of non-compliance with protective measures identified during environmental monitoring conducted by ESMS specialists within 2021 Program

№	Region, Bank branch	Number of audits	Number of notifications issued by National Bank JSC	Announcement received by	What issues were addressed
1	Republic of Karakalpakstan, Karakalpakstan regional branch	33	-	-	-
2	Bukhara region Romitan branch	6	-	-	-
3	Bukhara region, Gijduvan branch	6	-	-	-
4	Bukhara region, Bukhara branch	5	-	-	-
5	Kashkadarya region Kashkadaryo region branches	13	-	-	-
6	Kashkadarya region Guzor branch	6	-	-	-
7	Kashkadarya region Muborak branch	17	-	-	-
8	Namangan region Namangan regional branch	32	-	-	-
9	Namangan region Chortok branch	12	-	-	-
10	Samarkand region Pasdargom branch	6	-	-	-

11	Samarkand region Zhomboy branch	7	-	-	-
12	Samarkand region Nurabod branch	5	-	-	-
13	Samarkand region Registan branch	6	-	-	-
14	Samarkand region Urgut branch	6	-	-	-
15	Surkhandarya region Termiz branch	6	-	-	-
16	Surkhandarya region Denaub branch	6	-	-	-
17	Surkhandarya region Kumkurgan branch	5	-	-	-
18	Tashkent region Tashkent region branch	15	-	-	-
19	Tashkent region Bekabad branch	6	-	-	-
20	Tashkent region Gazalkent branch	11	-	-	-
21	Tashkent region Yangiyul branch	5	-	-	-
22	Fergana region Besharyk branch	7	-	-	-
23	Fergana region Rishton branch	12	-	-	-
24	Fergana region Kuva branch	7	-	-	-
25	Khorezm region Khorezm regional branch	6	-	-	-
26	Khorezm region Khazorasp branch	12	-	-	-
27	Khorezm region Shovot branch	5	-	-	-
28	Khorezm region Yangiaryk branch	5	-	-	-

Due to the fact that the monitoring results did not reveal cases of non-compliance with protective measures, there was no need to develop a corrective action plan.

With regard to Grievance, redress mechanism (GRM), in the National Bank JSC such a mechanism has been created and it is in operation. Thus, in accordance with the decision of the Board of the Bank No. 2 dated January 18, 2018, a department for addressing appeals from entities and individuals in Bank headquarter was set up. In addition, in the branches of the bank, this function is assigned on legal advisers.

In accordance with the Law of the Republic of Uzbekistan "On appeals of individuals and legal entities" received complaints or appeals must be considered by the Bank within 15 days of their receipt.

However, those affected by the project can contact the virtual reception of the Bank's Chairman of the management Board by following the link on the Bank's website www.nbu.uz

During the reporting period, National Bank JSC did not receive complaints from persons affected by the affordable housing Program for updated model projects in rural areas in 2021.

Table 9

Information on complaints received from persons affected by the Affordable Rural Housing Program 2021

№	Region, Bank branch	Number of complaints received	Type (in writing, orally, by phone)	Main topics for complaints	Number of complaints solved
1	Republic of Karakalpakstan, Karakalpakistan regional branch	-	-	-	-
2	Bukhara region Romitan branch	-	-	-	-
3	Bukhara region, Gijduvan branch	-	-	-	-
4	Bukhara region, Bukhara branch	-	-	-	-
5	Kashkadarya region Kashkadaryo region	-	-	-	-

	branches				
6	Kashkadarya region Guzor branch	-	-	-	-
7	Kashkadarya region Muborak branch	-	-	-	-
8	Namangan region Namangan regional branch	-	-	-	-
9	Namangan region Chortok branch	-	-	-	-
10	Samarkand region Pastdargom branch	-	-	-	-
11	Samarkand region Zhomboy branch	-	-	-	-
12	Samarkand region Nurabod branch	-	-	-	-
13	Samarkand region Registan branch	-	-	-	-
14	Samarkand region Urgut branch	-	-	-	-
15	Surkhandarya region Termiz branch	-	-	-	-
16	Surkhandarya region Denauv branch	-	-	-	-
17	Surkhandarya region Kumkurgan branch	-	-	-	-
18	Tashkent region Tashkent region branch	-	-	-	-
19	Tashkent region Bekabad branch	-	-	-	-
20	Tashkent region Gazalkent branch	-	-	-	-
21	Tashkent region Yangiyul branch	-	-	-	-
22	Fergana region Besharyk branch	-	-	-	-
23	Fergana region Rishton branch	-	-	-	-
24	Fergana region Kuva branch	-	-	-	-
25	Khorezm region Khorezm regional branch	-	-	-	-
26	Khorezm region Khazorasp branch	-	-	-	-
27	Khorezm region Shovot branch	-	-	-	-
28	Khorezm region Yangiaryk branch	-	-	-	-

Part V: Conclusion and Action Plan

Based on the results of the reporting period, it can be concluded that National Bank JSC met all the requirements for protective measures imposed by the terms of the Loan agreement signed within the second phase of the affordable housing construction program, where the new modality "results-based lending" applied.

In the annual report of National Bank JSC on the implementation of the joint venture in 2021, it was noted that it is necessary to conduct a series of trainings to strengthen the knowledge and experience of responsible specialists of National Bank JSC on the joint venture.

Due to the fact that the program "Affordable Housing in rural areas" is designed for 2017-2021, National Bank JSC will take measures to complete this program and take the following actions in 2022.

Table 10**Action Plan of National Bank JSC for 2022**

PCB	Issues	Actions required	Responsible	Period/data
National Bank JSC	Publication of the NBU annual report on the results of 2021 on the bank's website	After approval of the submitted annual financial statements of the bank under the ESMS by the MMU and ADB to ensure the publication of the document on the bank's website	ESMS coordinator	1 quarter 2022
National Bank JSC	Conducting a series of trainings by ESMS Coordinator for the NBU's regional branch specialists	To develop the handouts and presentation materials and make a training schedule	ESMS coordinator	During 2022

Annex